



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

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PART II—Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bills were introduced in the Lok Sabha on 9th March, 2007:—

BILL No. 31 of 2007

*A Bill further to amend the Banking Regulation Act, 1949.*

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Banking Regulation (Amendment) Act, 2007.

Short title and  
commencement.

(2) It shall be deemed to have come into force on the 23rd day of January, 2007.

10 of 1949. • 2. In section 24 of the Banking Regulation Act, 1949 (hereinafter referred to as the principal Act),—

Amendment  
of section 24.

(a) sub-sections (1) and (2) shall be omitted;

(b) for sub-section (2A), the following sub-section shall be substituted, namely:—

"(2A) A scheduled bank, in addition to the average daily balance which it is, or may be, required to maintain under section 42 of the Reserve Bank of India Act, 1934 and every other banking company, in addition to the cash reserve which it is required to maintain under section 18, shall maintain in India, assets,

the value of which shall not be less than such percentage not exceeding forty per cent. of the total of its demand and time liabilities in India as on the last Friday of the second preceding fortnight as the Reserve Bank may, by notification in the Official Gazette, specify from time to time and such assets shall be maintained, in such form and manner, as may be specified in such notification.";

(c) sub-section (2B) shall be omitted.

Amendment  
of section 53.

3. In section 53 of the principal Act,—

(i) in sub-section (1), the words and figures "or any of their branches functioning or located in any Special Economic Zone established under the Special Economic Zones Act, 2005" shall be omitted;

28 of 2005.

(ii) in sub-section (2), in the opening portion, for the words, brackets and figure "A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament", the following words, brackets and figures shall be substituted, namely:—

"A copy of every notification proposed to be issued under sub-section (1) relating to any banking company or institution or any class of banking companies or any branch of a banking company or an institution, as the case may be, functioning or located in any Special Economic Zone established under the Special Economic Zones Act, 2005 shall be laid in draft before each House of Parliament."

28 of 2005.

Repeal and  
saving.

4. (1) The Banking Regulation (Amendment) Ordinance, 2007 is hereby repealed.

Ord. 1 of 2007.

(2) Notwithstanding the repeal of the Banking Regulation (Amendment) Ordinance, 2007, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the principal Act, as amended by this Act.

Ord. 1 of 2007.

## STATEMENT OF OBJECTS AND REASONS

The Banking Regulation Act, 1949 empowers the Reserve Bank of India (Reserve Bank) to regulate and supervise the banking sector.

2. It is necessary that Reserve Bank, as the regulator and the authority vested with the powers to conduct monetary policy, has the necessary flexibility regarding stipulation of holding of liquid instruments by banks. As such, the existing floor of 25% has to be removed keeping intact the ceiling of 40% as the guidance for Reserve Bank. It will give more operational flexibility to Reserve Bank of India in the conduct of monetary policy.

3. The amendment made through the Special Economic Zones Act, 2005 was intended to extend the application of section 53 of the Banking Regulation Act to any of the branches of the Banking Companies/Financial Institutions or any class of banking companies functioning or located in the Special Economic Zone under the Act of 2005. It envisages placing such a draft notification before each House of Parliament while in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions. The notification can be issued only after the approval by both the Houses.

4. The basic intention of the aforementioned amendment was to provide for a more restricted power in respect of a notification granting exemptions to any banking company or institution or any class of banking companies or any of their branches functioning or located only in any Special Economic Zone established under the Special Economic Zones Act, 2005. Such a notification is required to be placed before both the Houses of Parliament for thirty working days in draft before issuing the final notification. However, the amendment made did not restrict the amendment to banks in SEZs. This was not the intention behind the amendment. It has, therefore, been proposed that sub-section (2) of section 53 as amended by the Special Economic Zones Act, 2005 be amended to provide that this requirement shall apply in cases of exemptions being granted to institutions/banks/branches located in Special Economic Zones.

5. In order to bring these amendments of urgent nature, it had become necessary to carry out urgently the required amendments in the Banking Regulation Act, 1949. If these amendments had not been made immediately, there was a fear of adverse impact on the smooth functioning of the banking system in the current changing scenario.

6. As both the Houses of Parliament were not in session, and the President was satisfied that circumstances existed which rendered it necessary for him to take immediate action, the Banking Regulation (Amendment) Ordinance, 2007 (1 of 2007) was promulgated on 23rd January, 2007.

7. The said Ordinance provides to—

(i) amend section 24 of the Banking Regulation Act, 1949 to enable the Reserve Bank to specify the Statutory Liquidity Ratio without any floor;

(ii) amend section 53 of the Banking Regulation Act, 1949 to provide that requirement of laying the draft notification before both Houses of Parliament shall apply in cases of exemptions being granted to institutions/banks/branches located in Special Economic Zones.

8. The Bill seeks to replace the aforesaid Ordinance.

NEW DELHI;  
The 1st March, 2007.

P. CHIDAMBARAM.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill empowers the Reserve Bank to specify such percentage of value of assets which shall be maintained in India by every banking company. The delegation of Legislative power is of a normal character.

## BILL NO. 30 OF 2007

*A Bill further to amend the Central Sales Tax Act, 1956 and the Additional Duties of Excise (Goods of Special Importance) Act, 1957.*

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

## CHAPTER I

## PRELIMINARY

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 2007.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title  
and com-  
mencement.

## CHAPTER II

## CENTRAL SALES TAX

Amendment  
of section 6.

2. In the Central Sales Tax Act, 1956 (hereinafter in this Chapter referred to as the principal Act), in section 6, for sub-section (2), the following sub-section shall be substituted, namely:—

74 of 1956.

"(2) Notwithstanding anything contained in sub-section (1) or sub-section (1A), where a sale of any goods in the course of inter-State trade or commerce has either occasioned the movement of such goods from one State to another or has been effected by a transfer of documents of title to such goods during their movement from one State to another, any subsequent sale during such movement effected by a transfer of documents of title to such goods to a registered dealer, if the goods are of the description referred to in sub-section (3) of section 8, shall be exempt from tax under this Act:

Provided that no such subsequent sale shall be exempt from tax under this sub-section unless the dealer effecting the sale furnishes to the prescribed authority in the prescribed manner and within the prescribed time or within such further time as that authority may, for sufficient cause, permit,—

(a) a certificate duly filled and signed by the registered dealer from whom the goods were purchased containing the prescribed particulars in a prescribed form obtained from the prescribed authority; and

(b) if the subsequent sale is made to a registered dealer, a declaration referred to in sub-section (4) of section 8:

Provided further that it shall not be necessary to furnish the declaration referred to in clause (b) of the preceding proviso in respect of a subsequent sale of goods if,—

(a) the sale or purchase of such goods is, under the sales tax law of the appropriate State exempt from tax generally or is subject to tax generally at a rate which is lower than three per cent. or such reduced rate as may be notified by the Central Government, by notification in the Official Gazette, under sub-section (1) of section 8 (whether called a tax or fee or by any other name); and

(b) the dealer effecting such subsequent sale proves to the satisfaction of the authority referred to in the preceding proviso that such sale is of the nature referred to in this sub-section."

Amendment  
of section 7.

3. In section 7 of the principal Act, in sub-section (2A), for the words, brackets and figures "clause (a) of sub-section (4) of section 8", the words, brackets and figures "sub-section (4) of section 8", shall be substituted.

Amendment  
of section 8.

4. In section 8 of the principal Act,—

(a) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) Every dealer, who in the course of inter-State trade or commerce, sells to a registered dealer goods of the description referred to in sub-section (3), shall be liable to pay tax under this Act, which shall be three per cent. of his turnover or at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State, whichever is lower:

Provided that the Central Government may, by notification in the Official Gazette, reduce the rate of tax under this sub-section.

(2) The tax payable by any dealer on his turnover in so far as the turnover or any part thereof relates to the sale of goods in the course of inter-State trade or not falling within sub-section (1), shall be at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State.

*Explanation.*—For the purposes of this sub-section, a dealer shall be deemed to be a dealer liable to pay tax under the sales tax law of the appropriate State, notwithstanding that he, in fact, may not be so liable under that law.”;

(b) in sub-section (3), in the opening portion, for the words, brackets, figure and letter “The goods referred to in clause (b) of sub-section (1)”, the following shall be substituted, namely:—

“The goods referred to in sub-section (1),—”;

(c) for sub-section (4), the following shall be substituted, namely:—

“(4) The provisions of sub-section (1) shall not apply to any sale in the course of inter-State trade or commerce unless the dealer selling the goods furnishes to the prescribed authority in the prescribed manner a declaration duly filled and signed by the registered dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority:

Provided that the declaration is furnished within the prescribed time or within such further time as that authority may, for sufficient cause, permit.”;

(d) in sub-section (5), in clauses (a) and (b), the words “or the Government” and the words, brackets and figure “or sub-section (2)”, wherever they occur, shall be omitted.

5. In section 9 of the principal Act, in sub-section (1), in the proviso, in clause (a), for the words, letter, brackets and figures “clause (a) of sub-section (4) of section 8”, the words, brackets and figures “sub-section (4) of section 8” shall be substituted.

Amendment  
of section 9.

6. In section 10 of the principal Act, in clause (a), the words “certificate or” shall be omitted.

Amendment  
of section 10.

7. In section 10A of the principal Act, in sub-section (2), in clause (a), for the words, letter, brackets and figures “clause (a) of sub-section (4) of section 8”, the words, brackets and figures “sub-section (4) of section 8” shall be substituted.

Amendment  
of section  
10A.

8. In section 14 of the principal Act, clause (ix) shall be omitted.

Amendment  
of section 14.

### CHAPTER III

#### ADDITIONAL DUTIES OF EXCISE

58 of 1957.

9. In the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act), section 4 shall be omitted.

Omission of  
section 4.

10. In the Additional Duties of Excise Act, in the First Schedule, headings 2401, 2402 and 2403, and sub-headings and tariff items thereunder, and the entries relating thereto shall be omitted.

Amendment  
of First  
Schedule.

11. In the Additional Duties of Excise Act, the Second Schedule shall be omitted.

Omission of  
Second  
Schedule.

## STATEMENT OF OBJECTS AND REASONS

Central Sales Tax (CST) is levied under the provisions of the Central Sales Tax Act, 1956 ('the CST Act') on the sale of goods in the course of inter-State trade or commerce. The CST is levied by the Central Government by virtue of Entry 92A of the Union List, but the same is assigned to the States within which the tax is leviable, by virtue of provisions of Article 269 of the Constitution. The CST is leviable in the originating State, *i.e.*, the State from where the movement of the goods commences and is collected and appropriated entirely by such State. The CST Act is administered by the States by virtue of provisions of section 9 of the said Act.

2. CST being an origin-based tax is inconsistent with VAT (which is a destination-based tax). Moreover, CST results in cascading of tax (*i.e.* tax on tax), since it is not rebatable against VAT. In view of these factors, there has been a consensus that the CST should be phased out. This is also a pre-requisite for introduction of an integrated Goods and Services Tax (GST), which the Government proposes to introduce by 1st April, 2010. The issue of phasing out of the CST has been deliberated upon for over a decade. The Empowered Committee of State Finance Ministers (EC), constituted by the Government of India, has been making efforts in this direction since July, 2000. Finally, after a series of meetings, a consensus has been arrived at between the Central Government and the State Governments on the roadmap for phasing out of the CST as also on the package of compensation to the States for revenue loss on this account.

3. Accordingly, it is proposed to phase out the CST in 4 steps, *i.e.*, reducing the CST rate from 4% to 3% w.e.f. 1st April, 2007, from 3% to 2% w.e.f. 1st April, 2008, from 2% to 1% w.e.f. 1st April, 2009 and eventually abolishing the tax on 31st March, 2010. An integrated national Goods and Services Tax (GST) is proposed to be introduced w.e.f. 1st April, 2010. The agreed package for compensation to the States for revenue loss on account of phasing out of the CST shall consist of non-monetary measures as well as monetary measures.

4. The implementation of the above proposals requires the amendment of the CST Act as also the Additional Duties of Excise (Goods of Special Importance) Act, 1957. Consequently the CST Act is proposed to be amended to provide for reduction of CST rate from 4% to 3% as also to provide the enabling powers to the Central Government to reduce it further, in future, through notification in Official Gazette and to drop Tobacco from the list of declared goods, to enable the States to levy VAT on Tobacco at a rate higher than 4% rate applicable to declared goods.

5. The Additional Duties of Excise (Goods of Special Importance) Act, 1957 is proposed to be amended to drop Tobacco from the First Schedule of the Act, to enable the States to levy VAT on Tobacco without losing their share out of the 1% devolution from the Divisible Pool of Central Taxes. It is also proposed to omit section 4 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 and the Second Schedule of the Act, as the same are no more required.

6. The Bill seeks to achieve the above objects.

NEW DELHI;  
The 27th February, 2007.

P. CHIDAMBARAM.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE  
CONSTITUTION OF INDIA

[Copy of letter No. 34/135/2005-ST, dated the 27th February, 2007 from Shri P. Chidambaram, Minister of Finance to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the Taxation Laws (Amendment) Bill, 2007, recommends under clauses (1) and (3) of article 117, read with clause (1) of article 274 of the Constitution of India, the introduction of the above Bill in Lok Sabha and also recommends to Lok Sabha the consideration of the Bill.



## FINANCIAL MEMORANDUM

Clause 4 of the Bill proposes to reduce the rate of Central Sales Tax (CST) from 4% to 3% w.e.f. 1st April, 2007. The tax rate is proposed to be reduced further by 1% every year. This will result in revenue loss to the States. The total revenue loss due to 1% reduction in the CST rate is estimated at Rs. 6,350 crores during 2007-08, which will increase with further reduction in CST rate in the following years. The agreed package for compensation to the States for revenue loss on account of phasing out of the CST shall consist of non-monetary measures as well as monetary measures. For this purpose, a budget provision of Rs. 2,500 crores has been proposed for the year 2007-08 for release of grant-in-aid to the States on this account.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (a) of clause 4 of the Bill seeks to add a proviso in sub-section (1) of section 8 of the Central Sales Tax Act, 1956 empowering the Central Government to reduce the rate of tax under the sub-section by notification in the Official Gazette. This has been proposed with a view to smoothen the process of phasing out of the CST as per the roadmap agreed to by the Central Government and the State Governments, under which the CST is to be reduced by 1% every year, *i.e.* from 4% to 3% w.e.f. 1st April, 2007, from 3% to 2% w.e.f. 1st April, 2008, from 2% to 1% w.e.f. 1st April, 2009 and complete abolition of the tax on 31st March, 2010, *i.e.* before the date proposed for introduction of an integrated Goods and Services Tax (GST). The delegation of the legislative power is of a normal character.

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## THE FIRST SCHEDULE

[See section 3(I)]

## NOTES

1. In this Schedule, "tariff item", "heading", "sub-heading" and "Chapter" mean respectively a tariff item, heading, sub-heading and Chapter in the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).

2. The rules for the interpretation of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), the Section and Chapter NOTES and the General Explanatory NOTES of the First Schedule shall, so far as may be, apply to the interpretation of this Schedule.

| Tariff Item | Description of goods  | Unit | Rate of Additional Duty |
|-------------|---|------|-------------------------|
| (1)         | (2)   | (3)  | (4)                     |
| 2401        | UNMANUFACTURED TOBACCO; TOBACCO REFUSE  |      |                         |
| 2401 10     | <i>Tobacco, not stemmed or stripped:</i>  |      |                         |
| 2401 10 10  | ... Flue cured virginia tobacco   | kg.  | 10%                     |
| 2401 10 20  | ... Sun cured country (natu) tobacco  | kg.  | 10%                     |
| 2401 10 30  | ... Sun cured virginia tobacco  | kg.  | 10%                     |
| 2401 10 40  | ... Burley tobacco  | kg.  | 10%                     |
| 2401 10 50  | ... Tobacco for manufacture of biris, not stemmed                               | kg.  | 10%                     |
| 2401 10 60  | ... Tobacco for manufacture of chewing tobacco                                  | kg.  | 10%                     |
| 2401 10 70  | ... Tobacco for manufacture of cigar and cheroot                                | kg.  | 10%                     |
| 2401 10 80  | ... Tobacco for manufacture of hookah tobacco                                   | kg.  | 10%                     |
| 2401 10 90  | ... Other   | kg.  | 10%                     |
| 2401 20     | <i>Tobacco, partly or wholly stemmed or stripped:</i>                           |      |                         |
| 2401 20 10  | ... Flue cured virginia tobacco   | kg.  | 10%                     |
| 2401 20 20  | ... Sun cured country (natu) tobacco  | kg.  | 10%                     |
| 2401 20 30  | ... Sun cured virginia tobacco  | kg.  | 10%                     |
| 2401 20 40  | ... Burley tobacco  | kg.  | 10%                     |
| 2401 20 50  | ... Tobacco for manufacture of biris  | kg.  | 10%                     |
| 2401 20 60  | ... Tobacco for manufacture of chewing tobacco                                  | kg.  | 10%                     |
| 2401 20 70  | ... Tobacco for manufacture of cigar and cheroot                                | kg.  | 10%                     |
| 2401 20 80  | ... Tobacco for manufacture of hookah tobacco                                   | kg.  | 10%                     |
| 2401 20 90  | ... Other   | kg.  | 10%                     |
| 2401 30 00  | ... Tobacco refuse  | kg.  | 10%                     |
| 2402        | CIGAR, CHEROOTS CIGARILLOS AND CIGARETTES, OF TOBACCO OR OF TOBACCO SUBSTITUTES |      |                         |
| 2402 10     | <i>Cigars, cheroots and cigarillos, containing tobacco:</i>                     |      |                         |
| 2402 10 10  | ... Cigar and cheroots  | Tu   | Nil                     |
| 2402 10 20  | ... Cigarillos  | Tu   | Nil                     |
| 2402 20     | <i>Cigarettes, containing tobacco</i>   |      |                         |
| 2402 20 10  | ... Other than filter cigarettes, of length not exceeding 60 millimetres        | Tu   | Rs. 37 per thousand     |

| (1)        | (2)   | (3) | (4)                   |
|------------|---|-----|-----------------------|
| 2402 20 20 | ... Other than filter cigarettes, of length exceeding 60 millimetres but not exceeding 70 millimetres   | Tu  | Rs. 125 per thousand  |
| 2402 20 30 | ... Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 70 millimetres                              | Tu  | Rs. 185 per thousand  |
| 2402 20 40 | ... Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres | Tu  | Rs. 300 per thousand  |
| 2402 20 50 | ... Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 75 millimetres but not exceeding 85 millimetres | Tu  | Rs. 400 per thousand  |
| 2402 20 90 | ... Other   | Tu  | Rs. 495 per thousand  |
| 2402 90    | ... <i>Other:</i>   |     |                       |
| 2402 90 90 | ... Other   | Tu  | Nil                   |
| 2403       | ... OTHER MANUFACTURED TOBACCO  |     |                       |
| 2403 10 10 | ... Hookah or gudaku tobacco  | kg. | 18%                   |
| 2403 10 20 | ... Smoking mixture for pipes and cigarettes  | kg. | 75%                   |
|            | ... <i>Biris:</i>   |     |                       |
| 2403 10 31 | ... Other than paper rolled biris, manufactured without the aid of machine  | Tu  | Rs. 1.40 per thousand |
| 2403 10 39 | ... Other   | Tu  | Rs. 3.50 per thousand |
| 2403 10 90 | ... Other   | kg  | 18%                   |
| 2403 99    | ... <i>Other</i>  |     |                       |
| 2403 99 10 | ... Chewing tobacco   | kg. | 18%                   |
| 2403 99 20 | ... Preparations containing chewing tobacco   | kg. | 18%                   |
| 2403 99 30 | ... Zarda scented tobacco   | kg. | 18%                   |
| 2403 99 40 | ... Snuff   | kg. | 18%                   |
| 2403 99 50 | ... Preparation containing snuff  | kg. | 18%                   |
| 2403 99 70 | ... Cut-tobacco   | kg. | Nil                   |
| 2403 99 90 | ... Other   | kg. | 18%                   |

## THE SECOND SCHEDULE

(See section 4)

*Distribution of additional duties*

During each of the financial years commencing on and after the 1st day of April, 1995, there shall be paid to each of the States specified in column (1) of the Table below such percentage of the net proceeds of additional duties levied and collected during that financial year in respect of the goods described in column (3) of the First Schedule, after deducting therefrom a sum equal to 2.203 per cent. of the said proceeds as being attributable to Union territories, as is set out against it in column (2) of the said Table:

Provided that if during that financial year there is levied and collected in any State a tax on the sale or purchase of the goods described in column (3) of the First Schedule, or one or more of them by or under any law of that State, no sums shall be payable to that State under this paragraph in respect of that financial year, unless the Central Government by special order otherwise directs.

TABLE

| State             | Percentage |
|-------------------|------------|
| (1)               | (2)        |
| Andhra Pradesh    | 7.820      |
| Arunachal Pradesh | 0.104      |
| Assam             | 2.483      |
| Bihar             | 7.944      |
| Goa               | 0.232      |
| Gujarat           | 5.995      |
| Haryana           | 2.366      |
| Himachal Pradesh  | 0.595      |
| Jammu and Kashmir | 0.856      |
| Karnataka         | 5.744      |
| Kerala            | 3.740      |
| Madhya Pradesh    | 7.236      |
| Maharashtra       | 12.027     |
| Manipur           | 0.197      |
| Meghalaya         | 0.188      |
| Mizoram           | 0.079      |
| Nagaland          | 0.137      |
| Orissa            | 3.345      |
| Punjab            | 3.422      |
| Rajasthan         | 4.873      |
| Sikkim            | 0.053      |
| Tamil Nadu        | 7.669      |
| Tripura           | 0.286      |
| Uttar Pradesh     | 14.573     |
| West Bengal       | 8.036      |
| *                 | *          |

## BILL NO. 28 OF 2007

*A Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 2007-08 for the purposes of Railways.*

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Railways) Vote on Account Act, 2007. Short title.
2. From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty two thousand three hundred ninety eight crores, sixty-eight lakhs and seventy-two thousand rupees towards defraying the several charges which will come in course of payment during the financial year 2007-08, in respect of the services relating to Railways specified in column 2 of the Schedule. Withdrawal of Rs. 22398,68,72,000 from and out of the Consolidated Fund of India for the financial year 2007-08.
3. The sums authorised to be withdrawn from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes stated in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE  
(See sections 2 and 3)

| 1<br>No. of Vote | 2<br>Services and purposes   | 3<br>Sums not exceeding |                                  |                        |
|------------------|--|-------------------------|----------------------------------|------------------------|
|                  |  | Voted by Parliament     | Charged on the Consolidated Fund | Total                  |
|                  |  | Rs.                     | Rs.                              | Rs.                    |
| 1                | Railway Board .....  | 15,90,73,000            | ..                               | 15,90,73,000           |
| 2                | Miscellaneous Expenditure (General) .....  | 65,12,77,000            | ..                               | 65,12,77,000           |
| 3                | General Superintendence and Services on Railways .....   | 417,01,41,000           | 13,000                           | 417,01,54,000          |
| 4                | Repairs and Maintenance of Permanent Way and Works. ....   | 749,03,02,000           | 14,68,000                        | 749,17,70,000          |
| 5                | Repairs and Maintenance of Motive Power ....   | 402,47,45,000           | 4,000                            | 402,47,49,000          |
| 6                | Repairs and Maintenance of Carriages and Wagons .....  | 817,37,38,000           | 83,000                           | 817,38,21,000          |
| 7                | Repairs and Maintenance of Plant and Equipment   | 419,45,18,000           | 40,000                           | 419,45,58,000          |
| 8                | Operating Expenses—Rolling Stock and Equipment .....   | 579,86,93,000           | 34,000                           | 579,87,27,000          |
| 9                | Operating Expenses—Traffic .....   | 1958,17,81,000          | 6,63,000                         | 1958,24,44,000         |
| 10               | Operating Expenses—Fuel .....  | 2048,20,23,000          | 41,67,000                        | 2048,61,90,000         |
| 11               | Staff Welfare and Amenities .....  | 321,66,32,000           | 3,33,000                         | 321,69,65,000          |
| 12               | Miscellaneous Working Expenses .....   | 335,23,36,000           | 7,62,58,000                      | 342,85,94,000          |
| 13               | Provident Fund, Pension and Other Retirement Benefits .....  | 1371,44,43,000          | 11,58,000                        | 1371,56,01,000         |
| 14               | Appropriation to Funds .....   | 4272,98,74,000          | ..                               | 4272,98,74,000         |
| 15               | Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of Over-Capitalization ..... | 4,28,12,000             | ..                               | 4,28,12,000            |
| 16               | Assets—Acquisition, Construction and Replacement   |                         |                                  |                        |
|                  | Revenue .....  | 10,00,00,000            | ..                               | 10,00,00,000           |
|                  | <i>Other Expenditure</i>   |                         |                                  |                        |
|                  | Capital .....  | 4520,28,13,000          | 1,83,00,000                      | 4522,11,13,000         |
|                  | Railway Funds. ....  | 3581,89,17,000          | 1,15,83,000                      | 3583,05,00,000         |
|                  | Railway Safety Fund .....  | 175,10,33,000           | 1,17,000                         | 175,11,50,000          |
|                  | Special Railway Safety Fund .....  | 321,75,00,000           | ..                               | 321,75,00,000          |
|                  | <b>TOTAL:</b>  | <b>22387,26,51,000</b>  | <b>11,42,21,000</b>              | <b>22398,68,72,000</b> |

## STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, read with article 116 thereof, to provide for the appropriation from and out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund of India and the grants made in advance by the Lok Sabha in respect of the estimated expenditure of the Central Government on Railways, for a part of the financial year 2007-08.

LALUPRASAD.

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PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF  
THE CONSTITUTION OF INDIA

[Copy of letter No. 2007-B-400/2 dated 23.2.2007 from Shri Lalu Prasad, Minister of Railways to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the proposed Appropriation Bill providing for the withdrawal from and out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the fund and the grants made by Lok Sabha for a part of the financial year 2007-08, recommends under clauses (1) and (3) of article 117 of the Constitution of India, the introduction in and consideration by Lok Sabha, of the Appropriation Bill.

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## BILL No. 35 OF 2007

*A Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2006-07 for the purposes of Railways.*

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

- |   |   |
|---|---|
| 1. This Act may be called the Appropriation (Railways) Act, 2007.   | Short title.  |
| 2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of seven thousand five hundred ninety-six crores, forty-nine lakhs and sixty-five thousand rupees towards defraying the several charges which will come in course of payment during the financial year 2006-07, in respect of the services relating to Railways specified in column 2 of the Schedule. | Issue of<br>Rs. 7596,49,65,000<br>out of the<br>Consolidated<br>Fund of India<br>for the financial<br>year 2006-07. |
| 3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.  | Appropriation.  |

THE SCHEDULE  
(See sections 2 and 3)

| 1<br>No.<br>of<br>Vote | 2<br>Services and purposes   | 3<br>Sums not exceeding |   |                |
|------------------------|--|-------------------------|---|----------------|
|                        |  | Voted by<br>Parliament  | Charged<br>on the<br>Consolidated<br>Fund | Total          |
|                        |  | Rs.                     | Rs.                                       | Rs.            |
| 1                      | Railway Board .....  | 2,30,00,000             | -   | 2,30,00,000    |
| 2                      | Miscellaneous Expenditure (General) .....  | 10,50,00,000            | -   | 10,50,00,000   |
| 3                      | General Superintendence and Services on Railways .....   | -                       | 4,94,000                                  | 4,94,000       |
| 4                      | Repairs and Maintenance of Permanent Way and Works ....  | -                       | 1,82,29,000                               | 1,82,29,000    |
| 5                      | Repairs and Maintenance of Motive Power .....  | -                       | 19,19,000                                 | 19,19,000      |
| 6                      | Repairs and Maintenance of Carriages and Wagons .....  | 32,79,05,000            | 10,15,000                                 | 32,89,20,000   |
| 8                      | Operating Expenses—Rolling Stock and Equipment .....   | -                       | 5,33,000                                  | 5,33,000       |
| 9                      | Operating Expenses—Traffic .....   | -                       | 58,59,000                                 | 58,59,000      |
| 10                     | Operating Expenses—Fuel .....  | 451,97,24,000           | 1,80,00,000                               | 453,77,24,000  |
| 12                     | Miscellaneous Working Expenses .....   | -                       | 43,70,000                                 | 43,70,000      |
| 13                     | Provident Fund, Pension and other Retirement Benefits .....  | -                       | 4,41,000                                  | 4,41,000       |
| 14                     | Appropriation to Funds .....   | 3954,58,65,000          | -   | 3954,58,65,000 |
| 15                     | Dividend to General Revenues, Repayment of loans<br>taken from General Revenues and Amortization of<br>Over-Capitalization ..... | 371,53,00,000           | -   | 371,53,00,000  |
| 16                     | Assets—Acquisition, Construction and Replacement<br>Revenue .....  | 5,00,00,000             | -   | 5,00,00,000    |
|                        | <i>Other Expenditure</i><br>Capital .....  | 1741,91,12,000          | 7,93,17,000                               | 1749,84,29,000 |
|                        | Railway Funds .....  | 1008,55,92,000          | 4,25,18,000                               | 1012,81,10,000 |
|                        | Railway Safety Fund .....  | -                       | 7,72,000                                  | 7,72,000       |
|                        | TOTAL:   | 7579,14,98,000          | 17,34,67,000                              | 7596,49,65,000 |

**STATEMENT OF OBJECTS AND REASONS**

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, read with article 115 thereof, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the supplementary expenditure charged on the Consolidated Fund of India and the grants made by the Lok Sabha for expenditure of the Central Government on Railways for the financial year 2006-07.

LALU PRASAD.

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**PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE  
CONSTITUTION OF INDIA**

[Copy of letter No. 2006-B-402/BS/2, dated the 6th March, 2007 from Shri Lalu Prasad, Minister of Railways to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the proposed Appropriation Bill to authorize payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2006-07 for the purposes of Railways, recommends under clauses (1) and (3) of article 117 of the Constitution of India, read with clause (2) of article 115 thereof, introduction in and consideration by Lok Sabha, of the Appropriation Bill.

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P.D.T. ACHARY,  
*Secretary-General.*